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NH&S File No.: 80000233LCG

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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NEW HAMPSHIRE INSURANCE COMPANY,
as Subrogee of ST. PAUL YACHT CLUB,

Plaintiff,

Case No.: 08 Civ. ()

-against-

**STATEMENT PURSUANT
TO RULE 7.1**

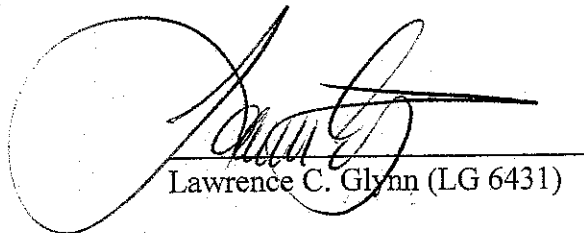
TOTAL TOOL SUPPLY, INC.,

Defendant.
-----X

Pursuant to Rule 7.1 of the Federal Rules of Civil Procedure and to enable judges and magistrate judges of the court to evaluate possible disqualification or refusal, the undersigned counsel of record for a private (non-governmental) party certifies that the following are corporate parents, subsidiaries or affiliates of that party which are publicly held:

See attached.

Dated: New York, New York
June 6, 2008


Lawrence C. Glynn (LG 6431)

HISTORY

The company was organized on August 28, 1975, as a stock fire and casualty insurance company.

MANAGEMENT

Administration of company affairs is directed by Adam B. Baker,

President; Adam B. Baker; vice president, Ross K. Baker; secretary, Ross K. Baker; treasurer, Laurel B. Cull.

Directors: Adam B. Baker, Bruce R. Baker, Craig W. Baker, Edith L. Baker, Adam B. Baker, Ross K. Baker, Laurel B. Cull.

REGULATORY

An examination of the financial condition was made as of September 30, 1999 by the Insurance Department of Texas. An evaluation of reserves for unpaid losses and loss adjustment expenses was made as of December 31, 1999 by Herder Hallmark Consultants, Inc.

Remarks: The company is licensed in Texas.

REINSURANCE PROGRAMS

The company does not maintain reinsurance coverage.

BALANCE SHEET

ADMITTED ASSETS (\$000)

| | 12/31/98 | 12/31/97 | '98% | '97% |
|---------------------------|----------|----------|-------|-------|
| Cash | 299 | 345 | 19.2 | 24.1 |
| Preferred stock | 145 | 145 | 10.1 | 10.1 |
| Common stock | 541 | 541 | 37.8 | 37.8 |
| Cash & short-term invest. | 1,099 | 248 | 70.6 | 17.4 |
| Real estate, investment | 49 | 3.1 | 3.1 | 3.1 |
| Other non-affil inv asset | 96 | 145 | 6.2 | 10.2 |
| Total invested assets | 1,543 | 1,424 | 99.2 | 99.6 |
| Premium balances | 4 | 1 | 0.3 | 0.1 |
| Accrued interest | 9 | 5 | 0.6 | 0.3 |
| Total assets | 1,555 | 1,430 | 100.0 | 100.0 |

LIABILITIES & SURPLUS (\$000)

| | 12/31/98 | 12/31/97 | '98% | '97% |
|------------------------------|----------|----------|-------|-------|
| Earned premiums | 14 | 12 | 0.9 | 0.8 |
| All other liabilities | 18 | 7 | 1.1 | 0.5 |
| Total liabilities | 31 | 19 | 2.0 | 1.4 |
| Capital & assigned surplus | 970 | 898 | 62.4 | 62.8 |
| Assigned surplus | 554 | 513 | 35.6 | 35.9 |
| Total policyholders' surplus | 1,524 | 1,411 | 98.0 | 98.6 |
| Total liabilities & surplus | 1,555 | 1,430 | 100.0 | 100.0 |

SUMMARY OF 1998 OPERATIONS (\$000)

| | 12/31/98 | | 12/31/98 |
|--------------------------|----------|--------------------------------|----------|
| Statement of Income | | Funds Provided from Operations | |
| Premiums earned | 25 | Premiums collected | 24 |
| Losses incurred | 5 | Losses paid | 5 |
| Underw expenses incurred | 30 | Underw expense paid | 30 |
| Other expense incurred | 10 | Other income/expense | 3 |
| Net underwriting income | -20 | Underw cash flow | -8 |
| Net investment income | 85 | Investment income | 87 |
| Other income/expense | 37 | Other income/expense | 37 |
| Pre-tax oper income | 101 | Pre-tax cash operations | 115 |
| Realized capital gains | 248 | | |
| Net income | 349 | Net oper cash flow | 115 |

Based on our current opinion of the group's financial condition and operating performance, it is assigned a Best's Rating of A++ (Superior). The group's Financial Size Category is Class XV. Refer to the Preface for a complete explanation of Best's Rating system and procedure.

RATING UNIT MEMBERS

American International Group

(AMB= 05953)

| AMB= COMPANY | RATING | POOL% |
|--------------------------------------|--------|-------|
| 02351 National Union Fire Ins Co Pa | A++ | 38.00 |
| 02034 American Home Assurance Co | A++ | 36.00 |
| 04000 Commerce and Industry Ins Co | A++ | 10.00 |
| 02035 Ins Co of the State of PA | A++ | 5.00 |
| 02349 Birmingham Fire Ins Co of PA | A++ | 5.00 |
| 02363 New Hampshire Insurance Co | A++ | 5.00 |
| 02389 AIG Insurance Company | A++ | 1.00 |
| 03536 American Int'l Ins Co of PR | A++ | |
| 02359 American Int'l Pacific Ins Co | A++ | |
| 02833 American Int'l South Ins Co | A++ | |
| 03535 American Int'l Specialty Lines | A++ | |
| 00180 Audubon Insurance Company | A++ | |
| 11984 AIG Global Trade & Pol. Risk | A++ | |
| 10587 China America Ins Co Ltd. | A++ | |
| 02360 Granite State Insurance Co | A++ | |
| 02361 Illinois National Ins Co. | A++ | |
| 04121 Audubon Indemnity Company | A++ | |
| 10725 National Union Fire Ins of LA | A++ | |

RATING RATIONALE

Current Rating Rationale: The rating is based on the consolidated operating performance of AIG's domestic property / casualty operations and applies to the eleven members of AIG's commercial pool, led by National Union Fire Insurance Company of Pittsburgh, Pa., along with its reinsured and/or strategic affiliates. This rating reflects AIG's outstanding operating performance, strong capitalization, specialty underwriting focus, and recognized global leadership position within its select and highly specialized market segments, particularly professional liability and excess and surplus lines. Ranked among the nation's largest underwriters of commercial and industrial coverages, AIG is widely recognized in the broker community for its unique and highly innovative product offerings, substantial risk management and service capabilities, as well as its ability to provide high coverage limits and broad global capacity. AIG also benefits from its profit center approach and strong broker relationships. Through its extensive overseas network and full array of commercial products, AIG can accommodate most of its clients' global insurance needs. Finally, the group maintains a high-quality investment portfolio, strong loss reserve position and heavy use of reinsurance that limits AIG's exposure to potentially large losses.

Partially offsetting these strengths is the uncertainty associated with AIG's ongoing exposure to asbestos and environmental (A&E) liabilities and potential exposure to "Year 2000" (Y2K) claims. Y2K risk mitigation plans include the use of Y2K exclusions, exclusionary endorsement coverage on high-risk third party liability policies (including fiduciary liability and D&O), and the issuance of a new D&O and corporate liability policy which contains Y2K coverage. Despite the uncertainty, AIG appears to be well positioned to screen each insured and lower its exposure to potential D&O claims. A.M. Best also believes that AIG's exposure to A&E claims is very manageable given its solid funding levels, relatively lower market share of exposed policies, greater utilization of reinsurance and extremely strong earnings generation. Finally, the groups maintains an elevated level of affiliated investment leverage, in particular International Lease Finance Corp., which contributed to AIG subsidiaries in 1994.

AIG is one of a select number of large national P/C groups that consistently produces outstanding operating results, with a five-year average combined ratio of 100% and pretax operating return on equity of 18%, which both outperform the industry by a wide margin. A.M. Best believes that AIG is extremely well positioned to capitalize on the industry's flight-to-quality trends and market dislocations within many of its core specialty segments. Despite soft market conditions, A.M. Best believes AIG's long-term growth and profitability prospects continue to be favorable given its franchise value, product innovation, specialized underwriting expertise and extensive use of high-quality reinsurance. Added financial flexibility and access to capital markets is afforded by its ultimate parent--American International Group, Inc., a globally diversified leader in the insurance and financial services industries. Given these strengths, A.M. Best views the group's rating outlook as stable. AIG ranks among the largest writers of property / casualty insurance in the U.S.

American International Group, Inc. (AIG) is a publicly traded insurance and financial services holding company that through its subsidiaries markets property/casualty, life and reinsurance products on a global basis as well as provides fee-based insurance services and conducts financial service operations. AIG is the leading U.S. based international insurance organization, which operates in approximately 130 countries and

American International Group

AMERICAN INTERNATIONAL GROUP

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World Wide Web Site: <http://www.aig.com>

Publicly Traded Corporation: American International Group, Inc.

NYSE:AIG